

A photograph of a person driving a convertible car on a road during sunset. The sun is low on the horizon, casting a warm glow over the scene. The person's arm is extended out of the car window, pointing towards the horizon. The road is straight and leads towards the sunset.

The Clean Air Group
Driving the Future

FY 2019 FINANCIAL RESULTS

2019 shows an ongoing growth in revenues with increasing profitability, in line with the guidance. SAFE&CEC starting to contribute to value creation

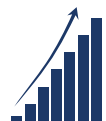
Landi Renzo Group



Revenues
191,9M€



Investments
8,7M€



Adj. EBITDA
26,3M€



3 new products for Heavy Duty launched on the market



EBT
8,5M€



1 new product for Hydrogen launched on the market



Net Income
6,0M€

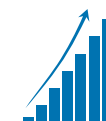


NFP (*)
55,2M€

SAFE&CEC



Revenues
73,4M€



Adj. EBITDA
6,1M€



EBT
0,9M€



Net Income
0,2M€

Landi Renzo is actively committed for a sustainable future

2019 Landi Renzo contribution to CO₂ reduction



825.000
Conversion Systems sold
worldwide



331 million
Kg CO₂ saved



Equivalent to **8,5 million**
trees

With our new Heavy Duty and Hydrogen project
we target **25 million** trees a year

Corporate Social Responsibility



- Landi Renzo obtained the **Gold Ecovadis Certification** on Corporate Social Responsibility as an automotive supplier
- The assessment is one of the key valuation of sustainability for OEM standards
- Landi Renzo is positioned in the **96th percentile** on total participants, which can be considered an excellent achievement

In 2019, activities have been undertaken to reinforce business sustainability in the next future

— Focus on some key markets



- On February 12th Landi Renzo Group signed in Cairo an agreement with the 3 main players in the **CNG Egyptian Market** (EGAS, Gastec and Car Gas) for the growth and distribution of the Natural Gas mobility in Egypt
- LRG is finalizing the agreement with **KLR to fully consolidate the company**, with positive impact both in terms of revenues and EBITDA, starting in 2020

— New Product development



- **A new experienced team** started to work on **Heavy Duty EMS** to offer full system from regulator to engine system, both for CNG/LNG and H₂
- Landi Renzo launched different **HDs dedicated products**, already validated by main OEMs and has started two new R&D projects for **Hydrogen** components:



- high pressure reducer
- metering systems



- The new R&D Center is officially operative in Turin since the beginning of the year with the target to partner with HD OEM in developing engine control systems both for gas and H₂ applications, already cooperating with the main **OEM** customers and **Universities**
- **SAFE&CEC** is studying the development of a dedicated Biomethane product offering, enlarging current one, and investing on H₂ applications
- **All new product** development will be financed with operating cash flow

Higher revenues (+3,8M€) lead to a doubling in EBT vs. previous year and a net income of 6,0M€ (+32,0%)

M€; %

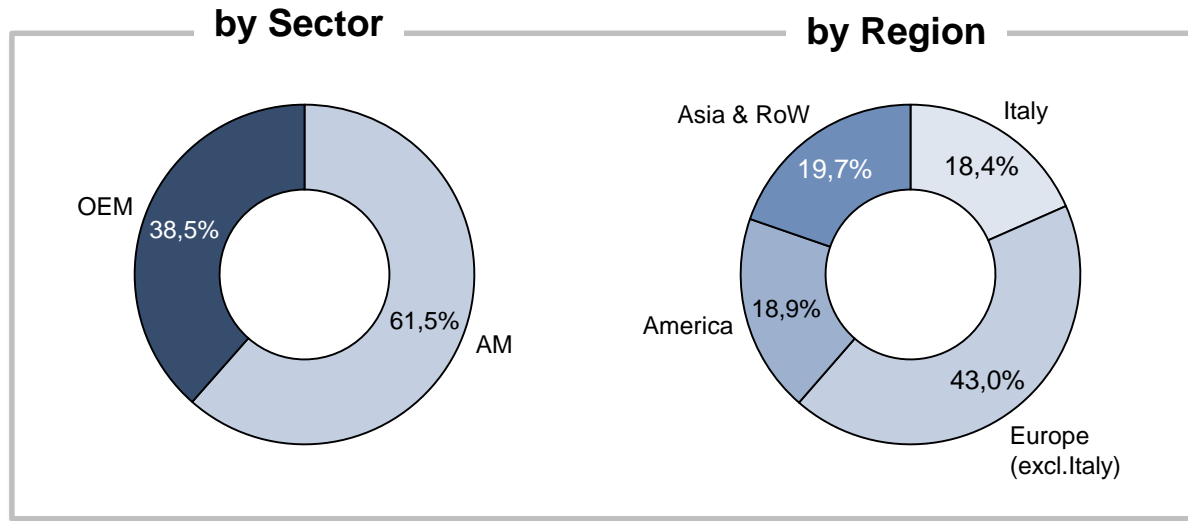
	2019 FY	2018 FY	Delta M€	Delta %
Revenues	191,9	188,1	3,8	2,0%
Adj. EBITDA	26,3	25,2	1,1	4,0%
<i>% on Revenues</i>	<i>13,7%</i>	<i>13,4%</i>		
EBITDA	24,7	21,5	3,2	14,9%
<i>% on Revenues</i>	<i>12,9%</i>	<i>11,4%</i>		
EBIT	12,9	11,3	1,6	14,8%
<i>% on Revenues</i>	<i>6,7%</i>	<i>6,0%</i>		
Capital Gain/Loss	0,3	-1,6	1,9	NA
Financials	-4,7	-5,5	0,8	-14,2%
EBT	8,5	4,2	4,3	103,4%
Taxes	2,5	-0,3	2,9	NA
Net Income	6,0	4,5	1,5	32,0%

Highlights

- **Revenues** growth compared to 2018, has a different sales mix between OEM (+0,7%) and AM business (+2,8%)
- **EBITDA growth** by 3,2M€ (+14,9%) showing resilience in strongly competitive scenario, thanks to a **flexible cost structure**, to the reduction of extraordinary costs and the impact of IFRS16
- **EBIT** grew up 6,7% on revenues, in line with best performers in the Automotive sector
- **SAFE&CEC positive performance** (Adj. EBITDA more than double compared to last year and a positive Net Result) contributes to the positive result
- **Financial costs** decreased, also thanks to the five-year medium-term financing agreement signed end of June, with positive effect starting from Q3
- **FY 2019 EBT, more than doubled compared to 2018** (+4,3M€ vs 2018), is in line with management expectations
- **FY 2019 Net Income** (6,0M€) increased by 32,0% compared to last year; Q4 is the **seventh consecutive quarter** with a positive net income

FY 2019 Net Sales breakdown by sector and geographical region

M€; %



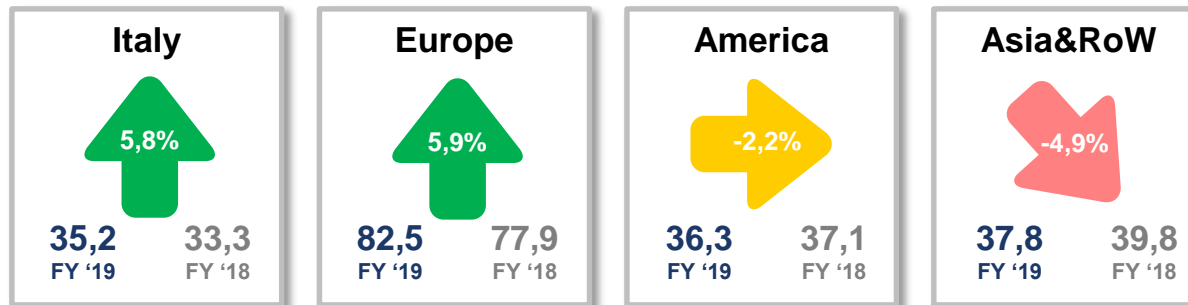
Highlights

Sector

- Landi Renzo confirms its position as the top **OEM “tier-1” supplier in Europe**
- OEM/AM share** stable compared to 2018

Region

- Growth concentrated in **Europe and Italy** (+6,5M€;+5,9%) mainly driven by OEM sales
- America** revenues aligned to 2018, with a **good performance in H2** with a volumes growth of 3,7% compared to H2 2018
- Asia&RoW** revenues strongly improve in Q4 with +36% compared to Q4 2018, mainly driven by growing sales in the African market

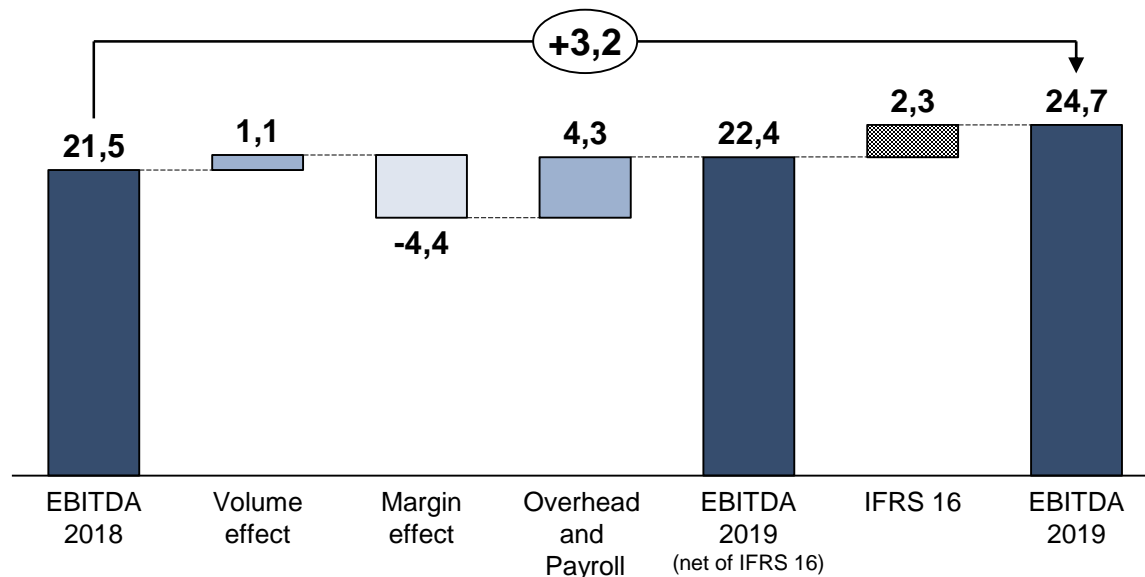


An efficient cost control implementation balanced the different channel sales mix in 2019 with an added value of 3,2M€

M€

**EBITDA
FY 2019

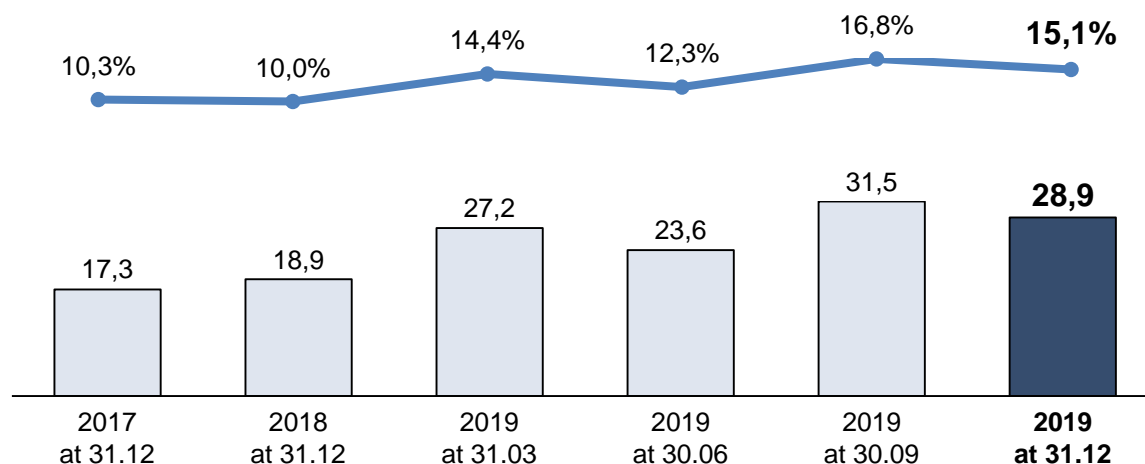
FY 2018**



Highlights

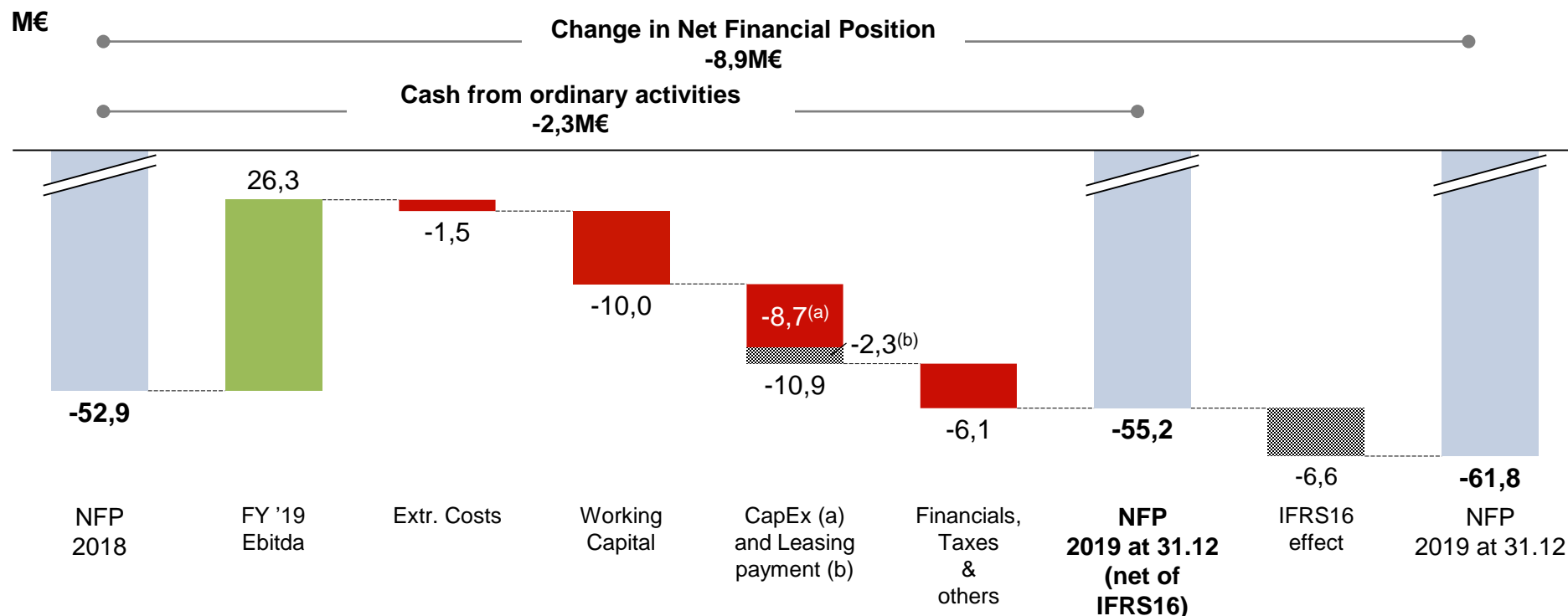
- **EBITDA** increased by 3,2M€ (+14,9%) compared to last year:
 - **Effect of change in sales mix** impacting by 4,4M€, offset by **fixed costs reduction** by 4,3M€ thanks to the full benefit from the industrial turnaround implementation
 - Effect of «**IFRS 16**» applied from 2019 (+2,3M€)
- **Working Capital** at 15,1%, in line with management expectations

**Working
Capital**



(1) Automotive sector

NFP impacted by investments in working capital and in R&D to support new products development for the HD segment



2018	NFP	2019
15,1	Cash liquidity (+)	22,7
0,0	Current Financial Assets (+)	2,8
-16,6	Short-term debts (-)	-29,7 ⁽²⁾
-23,3	Long-term debts (-)	-51,0
-28,1	Bond (-)	0,0
-52,9	NFP net of IFRS 16	-55,2
0	Financial Lease (-)	-6,6 ⁽³⁾
-52,9	NFP ⁽¹⁾	-61,8

(1) Short and long terms debt and bond are inclusive of amortized cost effect

(2) Accrued interests included

(3) Financial liability related to first time adoption of IFRS 16 – Leases

SAFE&CEC: strong turnover growth (+24,6%) with Adj. EBITDA of 6,1M€ (+52,5% vs last year) and positive Net Result

M€

	H1	H2	2019 FY	2018 FY	Delta M€	Delta %
Revenues	28,8	44,6	73,4	58,9	14,5	24,6%
Adj. EBITDA	2,0	4,1	6,1	4,0	2,1	52,5%
<i>% on Revenues</i>	6,9%	9,2%	8,3%	6,8%		
EBITDA	1,7	2,8	4,5	-1,5	6,0	NA
<i>% on Revenues</i>	5,8%	6,3%	6,1%	-2,5%		
EBIT	0,4	1,8	2,2	-2,9	5,1	NA
<i>% on Revenues</i>	1,4%	4,1%	3,0%	-4,9%		
EBT	-0,3	1,3	0,9	-3,4	4,3	NA
<i>% on Revenues</i>	-1,1%	2,8%	1,3%	-5,8%		
Net Income	-0,4	0,6	0,2	-3,7	3,9	NA
			2019 FY	2018 FY		
Working Capital			15,2	8,7		
<i>% on revenues</i>			20,7%	14,8%		

Highlights

- **H2 2019 strong performance**, with an Adj. EBITDA of 4,1M€, doubling H1 result and equaling the 12 months result of 2018, driven by a constant growth in sales and order portfolio
- **FY consolidated revenues** reached 73,4M€, **increasing** by 24,6% compared to 2018, confirming the growing trend of volumes and the strong positioning of the Group on the market
- **Adj. EBITDA** improved by 2,1M€, more than 50% compared to last year, thanks to the volume effect as well as the impact of cost saving initiatives completed in 2018
- Completion of integration activities reflected in **2019 EBIT**, positive by 2,2M€, compared to -2,9M€ in 2018
- **Net Result is positive**, for the first time since the merger, by 0,2M€ (3,9M€ more than last year)
- **Working capital** affected by stock requirements to satisfy the existing order book

2020 Landi Renzo Group priorities

Market challenges & opportunities

- **The entire mobility framework is changing**, driven by a series of converging technological and social trends that are deeply **reshaping the global competitive scenario**
- **There is an increasing availability of natural gas** (CNG and LNG) all over the world and the fact that several countries are expected to increase their local production and are both pushing local consumption and export of CNG and LNG as supply structures evolve
- **New opportunities** have arisen in market segments (i.e. heavy duty segment), and technology (Hydrogen)

Landi Renzo Group strategic view

- **Expand our competitive position worldwide**, targeting CNG / LNG engine and H2 applications, becoming a reference for all vehicle manufacturers and being e accredited as a **center of excellence** by the M&HD OEMs for both gas/H₂ mechanical components and control units
- Continue the launch of new product dedicated to CNG and HDs, with a **well defined and managed product development pipeline**
- **Increase our market share in India**
- **SAFE&CEC** will continue to **improve its operational performance** and **expand the business in biomethane and H₂ application**

- **Even if currently both Landi Renzo and SAFE&CEC have larger order portfolio compared to Q1 2019**, In consideration of the extreme uncertainty due to the **Coronavirus** (COVID-19) outbreak, whose impact on global markets is too difficult to estimate, the company will provide target figures by Q1 2020 Financial results presentation.
- Landi Renzo is currently undergoing any possible effort required to:
 - keep the workforce safe
 - make sure that the activity of the company is maintained and our clients' orders are fulfilled

APPENDIX



Landi Renzo - Company profile (11/03/2020)

BOARD OF DIRECTORS

Stefano Landi – Chairman
Giovannina Domenichini – Honorary Chairman
Cristiano Musi - CEO
Angelo Iori – Director
Silvia Landi - Director
Anton Karl – Independent Director
Sara Fornasiero - Independent Director
Vincenzo Russi – Independent Director
Paolo Ferrero - Director

TOP MANAGERS

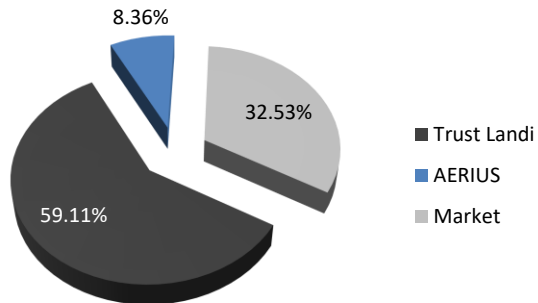


INVESTOR RELATIONS

Investor Relations Contacts:

Paolo Cilloni
Tel: +39 0522 9433
E-mail: ir@landi.it
www.landirenzogroup.com

SHAREHOLDING



SHARE INFORMATION

FTSE Italia STAR

N. of shares outstanding: 112.500.000

Price as of 30/12/2019 € 0.903

Capitalization: € 101.6 mln

CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	31/12/2019	31/12/2018
Revenues from sales and services	191,852	188,079
Other revenue and income	601	1,482
Cost of raw materials, consumables and goods and change in inventories	-100,510	-93,092
Costs for services and use of third party assets	-38,049	-44,100
Personnel expenses	-26,898	-28,150
Accruals, impairment losses and other operating expenses	-2,288	-2,707
Gross Operating Profit	24,708	21,512
Amortization, depreciation and impairment losses	-11,766	-10,243
Net Operating Profit	12,942	11,269
Financial income	117	138
Financial expenses	-4,112	-4,058
Exchange gains (losses)	-718	-1,573
Gains (Losses) on joint venture valuate using the equity method	285	-1,591
Profit (Loss) before taxes	8,514	4,185
Taxes	-2,532	348
Net profit (Loss) for the Group and minority interests, including:	5,982	4,533
Minority interests	-66	-138
Net profit (Loss) for the Group	6,048	4,671
Basic earnings (loss) per share (calculated on 112,500,000 shares)	0.0538	0.0415
Diluted earnings (loss) per share	0.0538	0.0415

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	31/12/2019	31/12/2018
Non-current assets		
Property, plant and equipment	11,578	12,745
Development expenditure	8,228	6,932
Goodwill	30,094	30,094
Other intangible assets with definite useful lives	12,536	14,039
Right-of-use assets	6,402	0
Investments in associated companies and joint ventures	23,530	22,292
Other non-current financial assets	334	352
Other non-current assets	3,420	3,991
Deferred tax assets	8,704	10,538
Total non-current assets	104,826	100,983
Current assets		
Trade receivables	40,545	35,131
Inventories	39,774	38,895
Other receivables and current assets	7,337	8,016
Current financial assets	2,801	0
Cash and cash equivalents	22,650	15,075
Total current assets	113,107	97,117
TOTAL ASSETS	217,933	198,100

CONSOLIDATED BALANCE SHEET

SHAREHOLDERS' EQUITY AND LIABILITIES	31/12/2019	31/12/2018
Shareholders' Equity		
Share capital	11,250	11,250
Other reserves	49,367	43,931
Profit (Loss) of the period	6,048	4,671
Total Shareholders' Equity of the Group	66,665	59,852
Minority interests	-332	-276
TOTAL SHAREHOLDERS' EQUITY	66,333	59,576
Non-current liabilities		
Non-current bank loans	50,991	23,055
Other non-current financial liabilities	0	24,427
Non-current liabilities for right-of-use	4,535	0
Provisions for risks and charges	3,609	5,443
Defined benefit plans for employees	1,630	1,646
Deferred tax liabilities	407	339
Liabilities for derivative financial instruments	30	0
Total non-current liabilities	61,202	54,910
Current liabilities		
Bank overdrafts and short-term loans	29,460	16,203
Other current financial liabilities	210	4,262
Current liabilities for right-of-use	1,992	0
Trade payables	51,935	55,166
Tax liabilities	2,134	2,385
Other current liabilities	4,667	5,598
Total current liabilities	90,398	83,614
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	217,933	198,100

2020 Corporate financial agenda

**FY 2019
FINANCIAL RESULTS**

March 13

May 15

**Q1 2020
FINANCIAL RESULTS**

**Half Year 2020
FINANCIAL RESULTS**

September 11

November 13

**Q3 2020
FINANCIAL RESULTS**

Disclaimer

This document has been prepared by Landi Renzo S.p.A for use during meetings with investors and financial analysts and is solely for information purposes. The information set out herein has not been verified by an independent audit company. Neither the Company nor any of its subsidiaries, affiliates, branches, representative offices (the “Group”), as well as any of their directors, officers, employees, advisers or agents (the “Group Representatives”) accepts any responsibility for/or makes any representation or warranty, express or implied, as to the accuracy, timeliness or completeness of the information set out herein or any other related information regarding the Group, whether written, oral or in visual or electronic form, transmitted or made available. This document may contain forward-looking statements about the Company and/or the Group based on current expectations and opinions developed by the Company, as well as based on current plans, estimates, projections and projects of the Group. These forward-looking statements are subject to significant risks and uncertainties (many of which are outside the control of the Company and/or the Group) which could cause a material difference between forward-looking information and actual future results.

The information set out in this document is provided as of the date indicated herein. Except as required by applicable laws and regulations, the Company assumes no obligation to provide updates of any of the aforesaid forward looking statements. Under no circumstances shall the Group and/or any of the Group Representatives be held liable (for negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise in connection with the document or the aforesaid forward-looking statements. This document does not constitute an offer to sell or a solicitation to buy or subscribe to Company shares and neither this entire document or a portion of it may constitute a recommendation to effect any transaction or to conclude any legal act of any kind whatsoever. This document may not be reproduced or distributed, in whole or in part, by any person other than the Company. By viewing and/or accepting a copy of this document, you agree to be bound by the foregoing limitations